



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 12, 2007

H.R. 1469

Senator Paul Simon Study Abroad Foundation Act of 2007

As ordered reported by the House Committee on Foreign Affairs on March 27, 2007

H.R. 1469 would authorize the establishment of the Senator Paul Simon Study Abroad Foundation to encourage U.S. students to study overseas, particularly in nontraditional destinations such as China, the Middle East, and developing countries. Over 200,000 American students currently study overseas every year, and one of the foundation's objectives would be to increase this number to at least one million within 10 years. The foundation would be directed to make grants to students, nongovernmental organizations, and educational institutions, and to report annually to the Congress.

The bill would authorize the appropriation of \$80 million a year for the foundation and allow it to raise funds and accept gifts and donations. Based on historical spending patterns for similar educational exchange programs, CBO estimates that implementing this legislation would cost \$40 million in 2008 and \$345 million over the 2008-2012 period, subject to the appropriation of the authorized amounts. Any gifts and donations to the foundation would increase governmental receipts and the spending of these receipts would increase direct spending. CBO estimates that initially the foundation would receive and spend gifts and donations of less than \$500,000 a year, but that those amounts could be significant in later years. Thus, the bill would increase both direct spending and receipts, but CBO estimates that the net result would likely be negligible in each year.

H.R. 1469 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Some public and private colleges and universities would benefit from grants to encourage students to study abroad. Any costs to those schools would be incurred voluntarily as a condition of receiving federal assistance.

The CBO staff contact for this estimate is Sunita D'Monte. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.